

SPENCER J. COX Governor

DEIDRE M. HENDERSON Lieutenant Governor

Comments

- To: Public Service Commission of Utah
- **From:** Utah Division of Public Utilities

Chris Parker, Director Artie Powell, Manager David Williams, Utility Technical Consultant

- **Date:** August 29, 2022
- **Re: Docket No. 21-035-52,** Motion to Amend Appendix O of the 2022 All Source Request for Proposals; Recommendation (Approval With Conditions)

Recommendation (Approval With Conditions)

On August 12, 2022, Rocky Mountain Power (the "Company") filed a "Motion to Amend Appendix O of the 2022 All Source Request for Proposals" (the "Motion") in Docket No. 21-035-52 (the "2022AS RFP" docket). The Utah Division of Public Utilities ("Division") recommends that the Public Service Commission of Utah ("Commission") grant the motion, with the approval conditions suggested below.

lssue

The Company's Motion makes two requests: (1) The Company seeks approval of a revised Appendix O to the 2022AS RFP, which contains the list of benchmark bids for the 2022AS RFP, and (2) the Company seeks a ruling from the Commission that it "may subtract resources from Amended Appendix O without Commission approval."¹ The Division discusses these requests below.

Division of Public Utilities

UTAH DEPARTMENT OF COMMERCE Division of Public Utilities

MARGARET W. BUSSE Executive Director CHRIS PARKER Division Director

¹ <u>Rocky Mountain Power's Motion for Approval of Changes to Appendix O to the 2022 All Source Request</u> <u>for Proposals</u>, Docket No. 21-035-52, August 12, 2022 ("Motion"), p. 4.

Background

The Commission issued its order for the 2022AS RFP on April 22, 2022.² The 2022 RFP Order was based on the Company's Application for Approval of a Solicitation Process ("Application"), which it filed on January 26, 2022. The Application had an Appendix O, which listed the benchmark options that it contemplated submitting into the 2022AS RFP. In its Order, the Commission stated:

RMP's Appendix O list of benchmark option resources, including the bullet point information that RMP provided related to likely benchmark option efficiencies, should be reasonably representative of the benchmark options actually bid into the RFP by the November 2022 deadline. Therefore, RMP may not add or subtract a benchmark option resource from Appendix O or submit a final list of benchmark resources that is otherwise inconsistent with the information disclosed in Appendix O without first seeking and obtaining approval from the PSC to do so.³

In its Motion, the Company seeks to remove some resources from the original Appendix O, and to add some resources. The Company states:

Since the Company's Application was filed on January 26, 2022, the composition of benchmark resources the Company intends to submit to the 2022AS RFP has changed. Specifically, the Company is no longer considering 21 resources that were included in Appendix O and has added 14 resources that were not originally included in Appendix O. The Company decided to remove certain resources from Appendix O due to lack of continued interest from third-party developers and/or lack of project readiness. Projects added to Appendix O were identified as potential opportunities after the Company's Application was originally filed.⁴

The Company seeks two things from the Commission: (1) The Company seeks approval of a revised Appendix O to the 2022AS RFP, which contains the list of benchmark bids for the RFP, and (2) The Company seeks a ruling from the Commission that it "may subtract resources from Amended Appendix O without Commission approval."⁵

² Order Approving 2022 All Source RFP, Docket No. 21-035-52, issued April 22, 2022 ("2022AS RFP Order").

³ 2022AS RFP Order, p. 7.

⁴ Motion, p. 2.

⁵ Motion, p. 4.

Discussion

Given the proposed changes to Appendix O, the Company's original Appendix O (filed with its Application on January 26, 2022) is no longer "reasonably representative of the benchmark options actually bid into the RFP by the November 2022 deadline."⁶ For example, the revised Appendix O has 14 new projects totaling over 2,500 MW. The Company states that it does not anticipate adding any further resources to Appendix O before the November 22, 2022 deadline for benchmark resources.⁷ The Company stated in its comments that "[b]ecause the 2022AS RFP was filed in January 2022 but benchmark bids are not due until November 2022, PacifiCorp has not yet identified all candidates for Owned Benchmark Resources and is including in its RFP a list of potential resources which PacifiCorp anticipates it may bid."⁸ Therefore, parties had notice that Appendix O might change.

The Division does not object to the Company's request that it "may subtract resources from Amended Appendix O without Commission approval." Projects will likely drop out as negotiations fall through, or as costs or other factors change. However, Division recommends that the Commission require the Company to post any such subtractions to: (1) this docket; and (2) the appropriate transmission mailing list.⁹

With regard to the additions that the Company proposes, the Division has no objection, although it is possible that there are some objections that the Division is not aware of. It is true that third parties will have notice of the Company's benchmark bids when it submits them by November 21, 2022. The deadline for non-benchmark bids is February 14, 2023. However, the Division may not be aware of all objections that developers and other third-

⁶ However, the Division's reading of the 2022AS RFP Order was not "Appendix O as submitted January 26 should be reasonably representative of the benchmark bids ultimately submitted"; rather is it "Appendix O as any given time should be reasonably representative of the benchmark bids ultimately submitted." The Division seeks confirmation from the Commission on this issue.

⁷ Motion, p. 2 ("The Company does not anticipate adding any additional resources before the November 21, 2022, date for submission of benchmark resources.").

⁸ Rocky Mountain Power's Reply Comments in Support of Application for Approval of Solicitation Process, Docket no. 21-035-52, April 1, 2022, p. 12.

⁹ For example, PacifiCorp's transmission function may have a list of projects and developers that it uses to contact regarding cluster studies, interconnection, etc. The Division assumes that most developers and third parties that are interested in bidding into the 2022AS RFP follow the present docket, but there could be some who do not, for whatever reason.

party owners may have to additions to Appendix O at this time. The Division recommends that the reply time in this docket be extended and that the Company alert the appropriate developers and other third-party owners (through the transmission email list mentioned above). The reply date in Utah Admin. Code R746-1-301 is within 10 days of the due date for the present comments. Therefore, the Division requests that the Commission grant an extension to the reply time. For example, after reply comments are due, the Commission could provide for a second ten-day comment period, that would start when the Company certifies to the Commission that it has notified the members of the appropriate transmission email list.

Conclusion

The Division does not object to the Company's Motion, with the condition that the Division requests that the Commission grant an extension to the reply time, so that developers and other third parties can comment on the addition of projects to Appendix O.

cc: Jana Saba, Rocky Mountain Power Michele Beck, Utah Office of Consumer Services